

MINUTES
State Allocation Board
January 30, 2008

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4202 of the State Capitol in Sacramento, California on January 30, 2008 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance (DOF)
- Doug Button, Deputy Director, Real Estate Services Division, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Jack Scott
- Senator Joe Simitian
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Kevin de León

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Senior Staff Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:20 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the October 24 and December 12, 2007 SAB meetings.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board that the OPSC notified the DOF that the Emergency Repair Program funds are expected to be exhausted by the end of April 2008. If the Director of the DOF determines that funds are insufficient, the amount necessary to fund grants approved by the SAB shall be transferred back from the Proposition 98 Reversion Account to the School Facilities Emergency Repair Account, in accordance with Senate Bill 78, Chapter 172, Statutes of 2007 (Ducheny).

CONSENT ITEMS

In considering this item, a motion was made and carried that the Board does not approve the new construction consent and the new construction special consent items in this Agenda and future 2008 Agendas as full and final apportionments until the Board has completed their determination as to whether an annual adjustment is necessary, pursuant to Education Code Section 17072.11(b). The Board would continue to approve such items in the same manner since the annual adjustment could result in a change to these apportionments during this period. This motion would temporarily lift the final apportionment requirement only for this specific adjustment, should the Board determine an adjustment is necessary. The Board approved the consent calendar as presented.

FINANCIAL REPORTS***Annual Adjustment to School Facility Program Grants***

In considering this item, the Board approved the staff's recommendation.

Transfer of Funds within the Charter School Facilities Account

In considering this item, the Board approved the staff's recommendations.

Status of Funds

The Board accepted the Status of Funds report as presented. In addition, a Board member requested staff to provide all funds that have been apportioned over the last 12 month period (January 2007 through December 2007), broken out month-by-month; and to provide cumulative total amounts for calendar years 2005 and 2006.

Index Adjustment on the Assessment for Development

In considering this item, the Board approved the staff's recommendation.

SPECIAL CONSENT ITEMS***Deferred Maintenance Program Extreme Hardship Project Time Extension***

In considering this item, the Board approved the staff's recommendation.

SPECIAL CONSENT ITEMS (cont.)***Oceanside City Unified/Orange 51/73569-00-001***

In considering this item, the Board approved the staff's recommendations.

Chula Vista Elementary/San Diego 57/68023-00-005 and 009

In considering this item, the Board approved the staff's recommendations with the exception of Recommendation No. 2, pertaining to the issue of self-certification and the hourly charge for processing and reviewing a district's application, which was held over. The Board requested staff present, at a future SAB meeting, the background and methodologies used in recommending interest penalties and the loss of self-certification. The Board indicated it wished to consider possible changes to the current Material Inaccuracy regulations and requested that the report on the background be discussed at an Implementation Committee meeting. The staff indicated that it anticipated presenting an item at the March 2008 Committee meeting.

SPECIALS/APPEALS***Oakland Unified/Alameda 53/61259-09-001, 12-001, 12-002, 13-002, and 21-001***

In considering this item, the Board approved the staff's recommendations with the exception of School #5, Application No. 53/61259-12-002. The Board granted a one-year time extension for this project.

Buellton Union Elementary/Santa Barbara 50/69138-00-002

This item was postponed to the February 2008 SAB meeting at the request of the District.

School Facility Program Joint-Use Projects

- Bass Lake Joint Union Elementary/Madera 52/65185-00-001
Mr. Glenn Reid, Superintendent of the School District, addressed the Board and requested the Board's support. In considering this item, the Board approved the staff's recommendations.
- Caliente Union Elementary/Kern 52/63388-00-001
This item was postponed to a future SAB meeting at the request of the District.

San Francisco Unified/San Francisco 57/68478-79-002

Mr. Paul Cardoni, representing the San Francisco Unified School District, addressed the Board concerning the implication of Material Inaccuracy. In considering this item, the Board approved the staff's recommendations with the exception of Recommendation No. 2, pertaining to the issue of self-certification and the hourly charge for processing and reviewing a district's application, which was held over.

SPECIALS/APPEALS (cont.)***Sequoia Union High/San Mateo 57/69062-00-015***

This item was postponed to the February 2008 SAB meeting at the request of the District.

Grant Adequacy

Ms. Denise Callahan, representing the Macias Consulting Group, presented the Final Report New School Construction Grant Adequacy Study to the Board. Mr. Edgar Cabral, representing the Legislative Analyst's Office (LAO), assisted answering questions related to the report.

The following individuals addressed the Board regarding the final report:

- Mr. Ted Rozzi, Assistant Superintendent of the Corona Norco Unified School District, and representing the Chair of the CASH organization;
- Mr. Tom Duffy, representing the CASH organization;
- Mr. Lyle Smoot, representing the Los Angeles Unified School District;
- Ms. Margaret Brown, representing the San Ramon Valley Unified School District;
- Ms. Lettie Boggs, representing Colby Technologies;
- Ms. Janet Dixon, Director of Planning and Development for the Riverside Unified School District; and
- Mr. Dave Walrath, representing the Small School Districts Association.

There were concerns expressed by the individuals above, such as the transparency issue still had not been adequately resolved; concerns with the usage of the McGraw-Hill database; want to ensure all the project costs are reported; continued challenges concerning the methodology; this report needs peer review if not to be rejected; and wanting a swift resolution to the grant adjustment issue.

There was much discussion by the Board regarding this final report. The Board requested that a working group be started to delve into the report to try to achieve a better understanding and come back with a recommendation to the Board.

REGULATIONS***Proposed Amendments to the Career Technical Education Facilities Program Regulations***

In considering this item, the Board adopted the staff's recommendations.

REGULATIONS (cont.)***School Facility Joint-Use Program Regulatory Amendments***

The following individuals addressed the Board concerning the proposed regulatory amendments:

- Mr. Dave Walrath, representing the Small School District Association;
- Ms. Margaret Brown, Assistant Superintendent of the San Ramon Valley Unified School District; and
- Mr. Tom Duffy, representing the CASH organization.

This item was postponed to the February 2008 SAB meeting. The Board requested that staff meet with the parties that made public comment for further discussion on the non-profit organizations and to clarify that the amendments made were pursuant to the discussions that took place during the Implementation Committee process.

Final Adoption of Proposed Regulatory Amendments for Seismic Mitigation

In considering this item, the Board adopted the staff's recommendations. In addition, the Board requested that the OPSC maintain a listing of all applicants that apply for the seismic funding.

Final Adoption of Proposed Regulatory Amendment and Project Information Worksheet

The following individuals addressed the Board concerning this issue:

- Mr. Ted Rozzi, Assistant Superintendent for the Corona Norco Unified School District;
- Ms. Lettie Boggs, representing Colby Technologies;
- Mr. Lyle Smoot, representing the Los Angeles Unified School District;
- Ms. Mamie Starr, representing the San Joaquin County Office of Education; and
- Mr. Tom Duffy, representing the CASH organization.

There were concerns expressed by the individuals above, such as wanting further simplification of the Project Information Worksheet; consider expanding other existing expenditure reporting forms; and providing assistance with the Project Information Worksheet through workshops.

In considering this item, the Board adopted the staff's recommendations. In addition, the Board requested that staff return with feedback on the Project Information Worksheet six months from when the regulations are in effect.

INFORMATION/REFERENCE***SAB Meeting Dates for the Calendar Year 2008******School Facility Program Workload List - Applications Received Through December 28, 2007******Deferred Maintenance Program Unfunded List as of December 12, 2007******Facility Hardship/Rehabilitation Approvals Without Funding List as of December 12, 2007***

CLOSED SESSIONS

At 7:31 p.m. and in accordance with Section 11126(e)(1) of the Government Code, the Board convened into closed session for the purpose of conferring with and receiving advice from counsel regarding *Val Verde Unified School District et al v. State of California et al.*; Case No. RIC 475161.

At 7:42 p.m. and in accordance with Section 11126(a)(1) of the Government Code, the Board convened into closed session for the purpose of discussing a matter relating to personnel.

Upon conclusion of the closed sessions, the Board reconvened into open session at 8:54 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 8:55 p.m.

A handwritten signature in black ink, appearing to read 'Rob Cook', is written above a horizontal line.

ROB COOK, Executive Officer